

APPENDIX “C”

CPI Methodology - All Urban Consumers (CPI-U), West Region, Size Class B/C cities.

To illustrate the change in CPI methodology starting in FY 22-23, the following table shows the application of the rolling 12-month average look back for 2016-17, 2017-18, 2018-19, 2019-20, and 2020-21 data. The 12-months rolling average starts with January and over the prior 11 months. The CPI% used for each month is the “12-month percent change” - meaning the month is compared (for the CPI index) to the same month from the previous year.

Note: Consistent with prior years, the level of precision of percentage change will be rounded to the tenth of a percentage (i.e. 1.6% not 1.64 % or 1.7% not 1.65%)

FY Data (Budget year)	CPI-12 month rolling average
2016-17 (17/18)	1.0%
2017-18 (18/19)	2.4%
2018-19 (19/20)	2.9%
2019-20 (20/21)	2.6%
2020-21 (21/22)	1.7%

The following calculation illustrates the rolling average calculation for FY 20-21 data (21/22 Budget year) as of January 2021 (the cutoff date used for budgeting). CPI% for 12 months is determined by change in CPI index over 12 months (i.e., Feb 2020 index compared to February 2019 index)

Year	Month	CPI % “12-month percent change”
2020	<u>Feb</u>	2.9%
2020	<u>March</u>	2.5%
2020	<u>April</u>	1.5%
2020	<u>May</u>	0.5%
2020	<u>June</u>	0.8%
2020	<u>July</u>	1.5%
2020	<u>Aug</u>	1.8%
2020	<u>Sept</u>	2.0%
2020	<u>Oct</u>	1.6%
2020	<u>Nov</u>	1.6%
2020	<u>Dec</u>	1.5%
2021	<u>Jan</u>	1.6%
	<u>Total of CPI% over 12 months</u>	19.8%
	<u>Average 12 month CPI percentage (i.e. rolling average)</u> <u>Total divided by 12</u>	1.7%